

103rd General Assembly Opening Remarks
House Speaker Jimmy Naifeh
January 13, 2004

Ladies and Gentlemen, I want to welcome back each and every member. I hope you have had the chance to enjoy the holiday season and get some well-deserved rest.

First I want to note that Carol Chumney has resigned. She was a very valuable member of the House. She chose to seek election to the Memphis City Council and she resigned to devote her time and efforts to her election.

As already noted by Rep. Bowers, the Shelby County Commission has appointed Beverly Marrero to serve until the special general election in February. Beverly was the winner of the Democratic primary. She is the only candidate for this office on the February ballot. She was sworn in shortly after her appointment by the county commission. Like Carol I believe she will be a vital member of this House and will make very valuable contributions.

Additionally I would like for you to take note of the House Chamber. During the break a great deal of maintenance has been done. The walls have been cleaned and the ceiling has been cleaned. The carpet, which I'm told was over 30 years old, has been replaced. If Representative Rhinehart was here, he could probably tell us. While there remains work to be done I believe we all agree that the cleaning has really revitalized the look of the chamber. It may well be that this is the first real cleaning of these walls since the Chamber was first occupied in 1853. I think it is important that we take steps to help keep it clean. I have asked leader McMillan to bring before us a resolution that will make the House Floor and the House Galleries smoke free. As a member of the Building Commission I voted to make the other open public areas of the Capitol smoke free---letting the Governor, the Constitutional Officers and the Finance Commissioner set policies within their own respective offices.

I propose that it be the same here. Making the Floor of the House Chamber and the Galleries smoke free and letting the respective directors of the offices to the sides of the House Floor set the policies for those offices. This way we help maintain the beauty of our Chamber and no longer will school children and others see individuals smoking on the Floor of the House.

I would also like to take this opportunity to thank all of you again for all your efforts and hard work in making our Session last year an outstanding success.

We got off to a quick start last January holding hearings on the House Floor regarding the State Budget, the Small Schools lawsuit and the Lottery.

We set as our goal to do our business, balance the budget with no new taxes and go home. We did just that.

- *We balanced the budget with no new taxes.*
- *Protected our investment in K-12 education.
Fully funded the BEP.*
- *We joined with the Governor to begin to address the Teacher Equity Lawsuit by giving a \$27 million downpayment.*
- *Put in place a Lottery Implementation Bill and a Lottery Scholarship Bill.*
- *We gave Governor Bredesen broad authority to address TennCare.*
- *We joined with Governor Bredesen in implementing a Preferred Drug List.*
- *We approved legislation to post Campaign Finance Disclosures on the Internet.*
- *We fully funded the Governor's recommendation for Homeland Security.*

In sum, due to hard work, we had a very successful session last year.

This year, once again, we will work to balance the budget with no new taxes, do our business in an orderly fashion and go home. That's what people want and that's what we are going to do.

Getting Tennessee's budget in shape is not a one-year thing. Again It will take a lot of hard work and attention ---the economy seems to be doing a little better but let me make it perfectly clear: there is no excess revenue.

In November of last year the Governor held budget hearings in the executive conference room, and some members attended the hearings. With the Governor's blessing I asked House staff to provide live video streaming of the Governor's budget hearings to the public. There were over

3500 hits to our video streaming. For those members who did not attend the Governor's budget hearings you can watch them on the House web site where they have been archived.

But once again it's going to be a tight budget year. We will need more money to fully fund the BEP. We will need more money to invest in teacher's salary equity. For those teachers in rural counties, that settlement is very important.

As you have seen in the paper, the Governor is working very hard on TennCare. I think Manny Martins, the director at TennCare, is projecting that a substantial infusion of additional dollars will be necessary for TennCare if it remains in its present form. And while we do need some additional dollars for TennCare due to the rising cost of healthcare, I'm proud to say that we have a Governor that understands the issue and is working diligently to fix what's broken.

The State Retirement system will also require an infusion of dollars to keep it fiscally sound. The present guestimate on that is about 73 million dollars.

A couple of areas in addition to the BEP that the Governor isn't going to be able to cut are the Departments of Mental Health / Developmental Disabilities and Children's Services. We're under court orders to improve these parts of state government or the court will do it for us, which will really make the price go up.

February 2nd is the first Monday in February and we anticipate that to be the day when Governor Bredesen will give his Budget Address and file his final budget recommendations. Just like last year, I have directed the Officers of the House Finance Committee to immediately begin to hold our House budget hearings once the appropriations bill is filed. I believe Chairman Head has already put together a tentative schedule for these hearings that begins on February 3rd and will be completed in mid-March

Once we have completed the committee budget hearings we need to begin to close our sub-committees---close our full committees---adopt a balanced budget and go home. And by go home I mean in late April or early May.

Late last year we received the first McKinsey report. That report makes clear that TennCare simply cannot continue as it exists today without gobbling up all our future revenue. Changes are going to be needed. In the near term we will be receiving the second portion of the McKinsey report which should help us get a handle on the options which are available.

Last year we put in place a mechanism for a state lottery but did not complete our business with the 501(c)(3) issue. I know many of you are receiving calls on this, and we should be able to put legislation in place that will allow legitimate not for profits to hold raffles.

I know we need to take another look at workers comp. In the past we have looked at workers comp reform and have had a great deal of success. But just like other areas of government it needs continual attention. I would hope the Governor would let knowledgeable folks in his administration work with the Workers Comp Ad Hoc Committee to bring all the interested parties together and look at what is needed. Specifically three members of the Governor's cabinet were directly involved in the workers comp negotiations that took place in the early 1990's. As you recall, when they got done the premiums went down around 20-25%. Commissioner Matt Kisber, was in the House of Representatives and was one of the leaders of the past negotiations. Finance Commissioner Dave Goetz represented business in the previous rewrite, and Commissioner Jim Neely represented labor at the time. Honestly, with those individuals still greatly involved in the discussion, I believe Governor Bredesen has in place a strong team.

On the lottery I intend for the Joint Legislative Lottery Committee to keep us up to date on the progress that is being made. I understand that lottery personnel have exceeded all expectations as to getting the lottery up and running. They did an outstanding job last year, and I look forward to greater things from them. Make no mistake this has been a great undertaking. I am told that about January 20, 2004 scratch-off tickets should become available. That's only a week from today. Traditional electronic lottery tickets could be available in late March. If we choose to join a multistate game like Powerball or such it could be available by the summer.

I don't think anyone in this chamber expected this to get off the ground this early. It means more scholarship money for students. That is the important part of the lottery, the college scholarships, and they will then be available for entering college freshmen in 2004. We anticipate that these scholarships could be as much as \$3,000 per student. That amount may come down a little, as we aren't exactly sure how much money will be available.

You will be proud to know that 4,424 troops from Tennessee answered the call of our country and have served in the Iraq war. And you know a number of Tennesseans have made the ultimate sacrifice in their service to our country.

Those killed include:

- *Lance Cpl. Patrick R. Nixon, 21, Nashville*

- *Spc. Thomas A. Foley, III, 23, Dresden,*
- *Sgt. Roger D. Rowe, 54 Bon Aqua,*
- *Staff Sgt. David L. Loyd, 44 Jackson,*
- *Spc. Kenneth W. Harris, Jr., 23, Charlotte,*
- *Sgt. 1st Class William M. Bennett, 35, Seymour*
- *2nd Lt. Richard Torres, 25, Clarksville,*
- *Lt. Colonel Kim S. Orlando, 43, Clarksville*
- *Staff Sgt. Morgan D. Kennon, 23, Memphis,*
- *Staff Sgt. Nathan J. Bailey, 46, Nashville,*
- *Chief Warrant Officer Alexander S. Coulter, 35, Bristol*
- *Sgt. 1st Class Gregory Hicks, 35, Duff,*

One of our own members, Captain John Mark Windle, was called to serve in Eastern Europe as part of our War efforts and is currently under Service Orders here at home. It is important that we keep our service men and women along with their families in our thoughts and in our prayers, and I know you are interested in their deployment. I have asked Adj. General Gus Hargett to come before us today and brief us on the deployment of our troops and their current situation.

As many of you know we have a new Commissioner of the Children's Services Department, Viola Miller. I have asked her to come before us tomorrow and update us on that department and her plans to take that department forward. Next Wednesday General Humble has agreed to attend session and tell us about Homeland Security matters in our state. I believe we should give them our full attention when they come before us.

With respect to some administrative business of the House, ----- Chairlady Chumney's resignation created a vacancy in the Chair of the Children and Family Committee. I have

appointed John DeBerry to the Chairmanship of the Children and Family committee. Sherry Jones will serve as the Vice Chair and Janis Sontany will remain as Secretary. I have every confidence in their talent and ability and I know they will do a tremendous job.

I have appointed Representative Marrero to the Children and Family Committee, the Government Operations Committee and the Health Committee. I have transferred Representative Mike Turner from the Government Operations Committee to the Health Committee. And I have transferred Representative Curry Todd from the Government Operations Committee to the Commerce Committee.

Finally I could not close my remarks today without touching on my personal health. I want to thank you for your calls, your cards, your prayers and your words of encouragement.

Because of preventative medicine I am cancer survivor. I am glad to have had regular checkups and want to urge others to get themselves checked. Because of this personal experience I have set up a health fair for tomorrow that includes PSA testing. There is a flyer on your desk outlining what can be tested and how long you will need to fast. I strongly encourage everyone to take advantage of this—it could save your life— It starts at 7:30 and goes to 11:30 on the Mezzanine. You need to fast after midnight. That shouldn't be a problem for most of you. We are very fortunate that TriStar is doing this. We are going to have 16-18 people taking care of us.

Many challenges lay ahead. We cannot be complacent. We need to continue to work. Thank you for your time and attention

May God bless you and your families.